

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2023 First Round**

**July 26, 2023**

Larkin Place, located at 731 Harrison Avenue in Claremont, requested and is being recommended for a reservation of \$1,163,000 in annual federal tax credits to finance the new construction of 32 units of housing serving special needs tenants with rents affordable to households earning 30% of area median income (AMI). The project will be developed by Jamboree Housing Corporation and will be located in Senate District 25 and Assembly District 41.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-23-020

**Project Name** Larkin Place  
Site Address: 731 Harrison Avenue  
Claremont, CA 91711  
County: Los Angeles  
Census Tract: 4019.02

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,163,000	\$0
Recommended:	\$1,163,000	\$0

**Applicant Information**

Applicant: Larkin Place Housing Partners LP  
Contact: Tish Kelly  
Address: 17701 Cowan Avenue, Suite 200  
Irvine, CA 92614  
Phone: (949) 214-2350  
Email: tkelly@jamboreehousing.com

General Partner(s) / Principal Owner(s): JHC-Larkin Place LLC  
General Partner Type: Nonprofit  
Parent Company(ies): Jamboree Housing Corporation  
Developer: Jamboree Housing Corporation  
Investor/Consultant: Red Stone Equity  
Management Agent(s): Quality Management Group

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 33  
No. & % of Tax Credit Units: 32 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: HUD Section 8 Project-based Vouchers (32 Units - 100%)

**Information**

Set-Aside: Nonprofit (Homeless assistance)  
 Housing Type: Special Needs  
 Type of Special Needs: Homeless / People with Disabilities  
 Average Targeted Affordability of Special Needs/SRO Project Units: 30.00%  
 % of Special Need Units: 32 units 100.00%  
 Geographic Area: N/A  
 CTCAC Project Analyst: Brett Andersen

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percent of Required Affordable Units</b>
At or Below 30% AMI:	32	100%

**Unit Mix**

8 SRO/Studio Units  
 24 1-Bedroom Units  
1 2-Bedroom Units  
 33 Total Units

<b>Unit Type &amp; Number</b>	<b>2022 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
8 SRO/Studio	30%	\$340
24 1 Bedroom	30%	\$340
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,353,832
Construction Costs	\$12,387,553
Rehabilitation Costs	\$0
Construction Contingency	\$1,211,268
Relocation	\$0
Architectural/Engineering	\$688,000
Const. Interest, Perm. Financing	\$2,063,741
Legal Fees	\$745,837
Reserves	\$162,877
Other Costs	\$2,456,278
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$23,269,386</b>

## Residential

Construction Cost Per Square Foot:	\$539
Per Unit Cost:	\$705,133
True Cash Per Unit Cost*:	\$689,457

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Banner Bank	\$10,800,000	Banner Bank	\$4,692,429
LACDA AHTF	\$4,710,000	LACDA AHTF	\$4,710,000
SGVRHT	\$3,000,000	SGVRHT	\$3,000,000
Deferred Costs	\$334,486	Deferred Developer Fee	\$517,292
Deferred Developer Fee	\$1,320,000	Tax Credit Equity	\$10,349,665
Tax Credit Equity	\$3,104,900	<b>TOTAL</b>	<b>\$23,269,386</b>

\*Less Donated Land, Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$9,940,170
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$12,922,221
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,163,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Red Stone Equity
Federal Tax Credit Factor:	\$0.88991

The "as if vacant" land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

### Tie-Breaker Information

First:	<b>Special Needs</b>
Self-Score Final:	<b>82.866%</b>
CTCAC Final:	<b>82.738%</b>

### Significant Information / Additional Conditions

The project has a per unit cost of \$689,457, which is due to inflation resulting in rising construction costs, higher interest rates, as well as prevailing wages and above average impact fees.

**Resyndication and Resyndication Transfer Event:** None.

### Local Reviewing Agency

The Local Reviewing Agency, City of Claremont, has completed a site review of this project and supports this project.

## **Standard Conditions**

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>SPECIAL NEEDS HOUSING TYPE</b>			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**Please Note:** If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

**DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.**